

WINDSOR COURT THE PAVEMENT CLAPHAM SW4 0JF

RETAIL & RESIDENTIAL INVESTMENT OPPORTUNITY



INVESTMENT OVERVIEW



- A retail and residential investment opportunity, comprising four retail units and eighteen reversionary residential lease interests
- Gross income of £194,930 per annum, split between £194,000 of retail income and £930 of ground rent income
- Retail lease expiry dates ranging from 2022 to 2033 and a current weighted average unexpired lease term (WAULT) of 7.79 years
- Five short residential leases, with remaining terms of less than 69 years
- Additional reversionary receipts from residential lease extension activity
- Located in a prominent position fronting Clapham Common, just to the south of Clapham Old Town
- Freehold interest offered by way of a sale of the holding SPV

DESCRIPTION

Windsor Court comprises a c. 1930s Art Deco, mixed retail and residential building arranged over five storeys, with four retail units on the ground floor.

The property fronts Clapham Common and is part adjoined by another Art Deco apartment block to the south, known as Trinity Close, and a restaurant to the north.

There are seventeen two bedroom apartments, one three bedroom apartment and four retail units. All of the residential apartments have been sold on long leases with varying ground rents and lease terms.

LOCATION

Windsor Court is located in Clapham within the London Borough of Lambeth and within the Clapham Conservation Area. Clapham is bordered by Battersea to the north and Balham to the south.

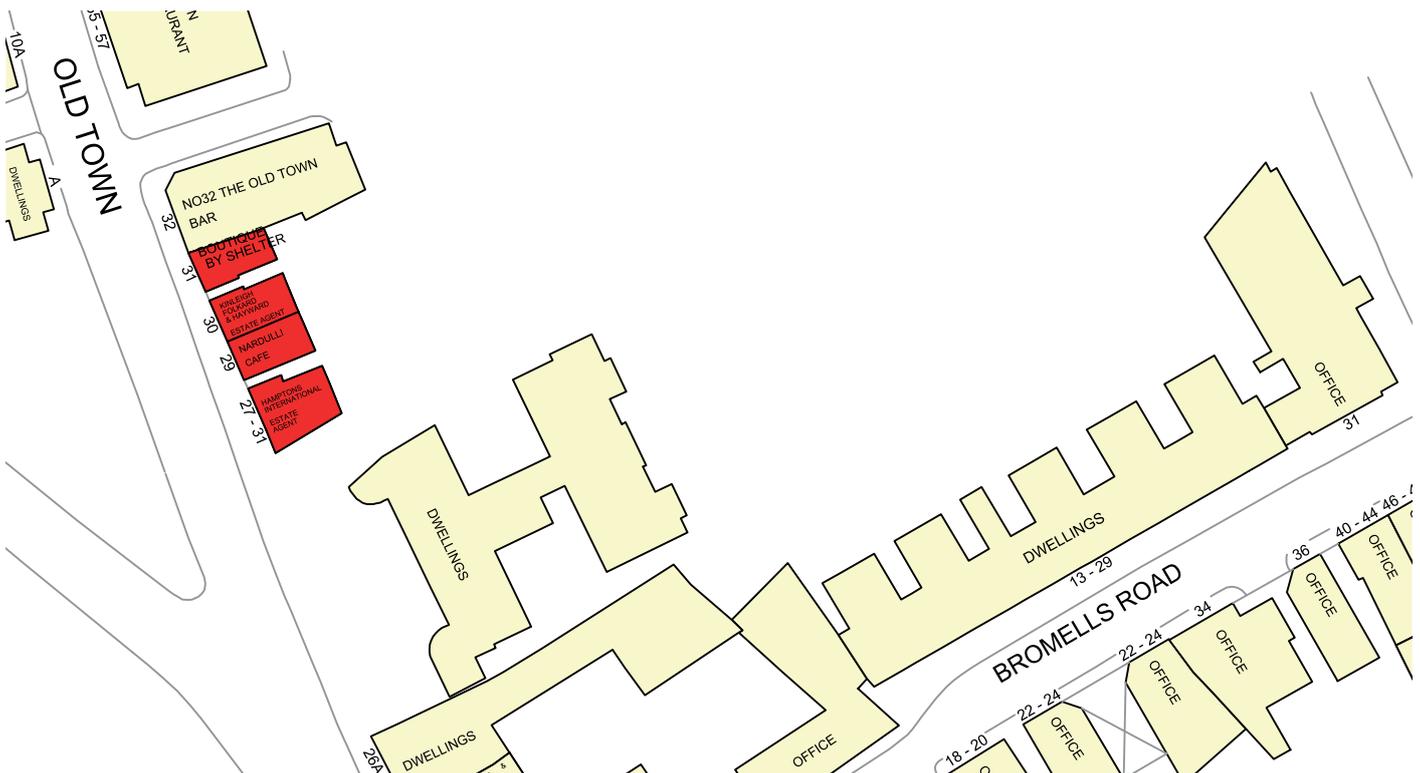
The property is situated on the north eastern corner of Clapham Common on The Pavement, which leads to Clapham Old Town to the north and joins the B224 and A24 to the south. The A24 is one of the main arterial roads connecting London from the south.

Clapham Common is one of London's largest open spaces covering 220 acres (89 hectares). It comprises three large ponds, a Victorian bandstand and the Holy Trinity church. It also facilitates a wide variety of sports and benefits from an outside gym.

Aside from the common, the immediate area is characterised by a range of residential and retail property, predominately period with some new build developments. Clapham Old Town, which is situated just to the north of the property, is home to a number of popular restaurants and bars. Clapham High Street, which is situated just to the south off the B224, is also a popular destination due to its social retail offering.

Transport links are excellent, with Clapham Common Underground station (Zone 2 – Northern Line) being situated within 250 metres of the property and Clapham High Street station (Zone 2 – Overground and National Rail) within 0.6 miles.





RETAIL INVESTMENT SUMMARY

There are four retail units on the ground floor, which include Hamptons International, Kinleigh Folkard & Hayward, Boutique by Shelter and Nardulli. Each tenant has a prominent frontage facing Clapham Common.

None of the tenancies are contracted out of the Landlord and Tenant Act 1954 and, therefore, benefit from security of tenure. Use Classes under the Town and Country Order 1987 are either A1 or A2.

The total rent passing across the retail units is £194,000 per annum, with a current weighted average unexpired lease term (WAULT) of 7.79 years. Retail lease summaries are provided within the data room.

Retail tenancy summary

Unit	Tenant	Size (sq ft)*	ITZA (sq ft)*	Use Class	Review Date	Tenant Break	Lease Expiry	Break	WAULT to expiry	WAULT to break	"Rental Income"
27-28	Hamptons International	1,442	755	A2	n/a	n/a	30/09/2022	n/a	2.96	2.96	£64,000 pa
29	Nardulli	848	545	A1	01/04/2021	01/04/2022	31/03/2033	01/04/2022	13.47	2.47	£40,000 pa **
30	KFH	882	578	A1/A2	01/10/2022	n/a	30/09/2027	n/a	7.97	7.97	£45,000 pa
31	Shelter	812	475	A1	15/02/2024	15/02/2024	14/02/2029	15/02/2024	9.35	4.34	£45,000 pa
Total / Average		3,984							7.79	4.33	£194,000 pa

* Measurements have been provided by the Vendor

** Rent to increase to £42,000 from 01.04.2020

Covenant

Kinleigh Limited

KFH was founded in 1977 by Philip King & Lee Watts as a specialist property management company. It has since grown to encompass a network of 60 branches employing over 600 staff across 10 service lines. KFH has a D&B rating of 3A 1 and a turnover of £69,849,000 (March 2018).

Shelter, The National Campaign For Homeless People Limited.

Shelter was founded in 1972 and currently has 140 employees who specialise in social work activities. Shelter has a D&B rating of 4A 1 and an annual turnover of £67,401,000.

Nardulli Limited

Nardulli is a well-established business, having successfully traded since April 2009. Nardulli has previously been cited in the Evening Standard as one of "London's best ice cream parlours". The business has a D&B rating of C 2.

Hamptons Estates Limited

Hamptons was founded in 1830 and currently operates out of over 90 offices across the UK. In June 2010 Hamptons was acquired by Countrywide, the largest estate & letting agency in the UK. Hamptons has a D&B rating of 4A 1.

RESIDENTIAL SUMMARY

The property comprises eighteen residential apartments which are arranged over floors one to four. They have all been sold on long leases with varying ground rent charges and lease terms.

The lease terms remaining range from 56 years to 193 years. Five leases are considered 'short' with all of them having less than 69 year terms remaining, the other thirteen apartments have lease terms of more than 95 years.

The current total ground rent is £930 per annum.

Residential Lease Extensions

The leaseholder of Flat 5 has recently extended their lease under the Leasehold Reform Housing and Urban Developments Act 1993, which has led to a peppercorn ground rent and an additional 90 years to the lease term. The premium payable by the leaseholder was £32,500.

Residential accommodation schedule

Unit number	Bedrooms	Floor	Lease Term Remaining (Years)	Lease Expiry Date	Ground Rent per Annum
1	2	1st	115	24/12/2132	£100
2	2	2nd	157	31/12/2174	£100
3	2	3rd	159	28/09/2176	£0
4	2	1st	159	28/09/2176	£40
5	2	1st	162	24/03/2180	£0
6	2	2nd	56	31/12/2073	£25
7	2	2nd	146	31/12/2163	£0
8	2	3rd	56	31/12/2073	£70
9	2	3rd	69	28/09/2086	£100
10	2	1st	146	31/12/2163	£0
11	2	1st	193	28/09/2210	£150
12	2	2nd	95	28/09/2112	£250
13	2	2nd	56	31/12/2073	£25
14	2	3rd	56	31/12/2073	£70
15	2	3rd	147	31/12/2164	£0
16	2	4th	162	24/03/2180	£0
17	2	4th	162	24/03/2180	£0
18	3	4th	162	24/03/2180	£0
TOTAL / AVERAGE					£930

FURTHER INFORMATION

Proposal

We have instruction to seek offers in excess of **£2,850,000 (TWO MILLION EIGHT HUNDRED AND FIFTY THOUSAND POUNDS)**, subject to contract and exclusive of VAT, for the holding SPV of the freehold interest. A purchase at this price would reflect a blended net initial yield of 6.4%, split between 7% net initial yield on the retail and lease extension value attributed to the residential.

Tenure

Freehold interest, subject to the residential long leasehold interests and retail tenancies.

Disposal Structure

The property is being offered to the market by way of a sale of the holding SPV: 27-31 The Pavement Limited.

Sales Process

The property is for sale by private treaty. Offers are sought for the holding SPV of the freehold interest subject to contract and subject to the existing long leasehold interests and tenancies. Should a closing date be set for the submission of offers, all parties who have expressed an interest will be advised accordingly.

Data Room

For access to the data room please use the following link: <https://sites.savills.com/windsorcourt/>

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